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Approved For Release 2001/08/07 : CIA-RDP80-01826R

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MEMORANDUM FOR: Acting Director of Central Intelligence

SUBJECT: Inspector General's Suggestions for Improvement
of the Central Intelligence Agency

REFERENCE: Comments on Personnel Management Contained in the
Report of the Inspector General dated
3 January 1957

1. This memorandum is for your information and is written in response to your request for my comments on the report referenced above.

2. The Inspector General has recommended that an aggressive campaign be undertaken to reduce the number of individuals handling personnel matters. Some progress has been made in reducing the number of individuals handling personnel matters. Most of this progress to date has been in the central Office of Personnel where the number of employees on duty has been reduced from a high of [] in January, 1957, to a low of [] in July, 1957. The number on duty as of 16 August 1957 was []. The ceiling authorization to the Office of Personnel has recently been reduced to []. While this number may appear out of proportion to the number of Personnel Officers used in other Federal agencies, our Office of Personnel is charged with functions which are not typically performed in Personnel offices. Examples of such atypical functions are the Central Processing Branch (employing []), the Benefits and Casualty Division (employing []), the Contract Personnel Division (employing []), the Personnel Procurement Division (employing []), and the Military Personnel Division (employing []). Furthermore, the conduct of customary personnel activities such as classification and wage administration, placement, and counseling requires more manpower than would customarily be needed because of our elaborate processing techniques, compartmentation, classification of records, etc. There are other variables which increase the requirements for Personnel staff service in this Agency and make it difficult to compare our situation with that of other employers either in Government or industry.

3. There have been repeated statements and numerous studies made within the Agency of the number of employees engaged in personnel work throughout the Agency. There has been no conclusive showing that there are too many such employees or that the number we now have is fully justified. In order to establish the facts, I have directed the Office

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DOC	1	REV DATE	30/06/81	BY	018995
ORIG CLASS	5	PAGES	4	REV CLASS	C
JUST	22	NEXT REV	2011	AUTH:	HR 10-2

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of Personnel to review all Personnel activities, wherever performed within the Agency, and to analyze them for the purpose of identifying those which are unnecessary, overelaborate, or duplicative. It is believed that any action on this comment by the Inspector General should be deferred until this study is completed.

4. The Inspector General has recommended "That if the decision is made that the Director of Personnel continue to be without command authority that the Personnel Office be assigned only two major functions--the processing of personnel actions and maintenance of records, and supporting the development of personnel policy by you and the Career Service Board." This general topic is considered at some length in the memorandum submitted by the Director of Personnel 30 April 1957 commenting on the Inspector General's separate report on the role of the Director of Personnel. In brief, it is our view that the Director of Personnel now provides additional services of common concern which should continue to be performed centrally, and that, although such functions might be organizationally located elsewhere in the Agency, approximately the same number of people would be required to perform them.

5. The Inspector General also recommended that the Office of Training increase its management courses and that top executives be required to attend. We doubt the wisdom of requiring senior personnel or other Agency supervisors by a general order to attend management courses. Such an order would thrust many into training without regard to their motivation or readiness, with the result that it would greatly reduce the effectiveness of management training for others. It is therefore recommended that the determination of who should attend supervisory and management courses be left to the discretion of operating supervisors. Every effort is being made to intensify and increase the effectiveness of management and supervisory training within the limits of available staff. Under present conditions, this means primarily a continuing effort to maintain and improve the quality of instruction presently given. A possible extension of management training development lies in increased use of external training for those who have taken the basic Agency courses and are in a position to profit from a more generalized and longer exposure to management practices in business and industry.

6. The Inspector General recommends the issuance of a statement of the responsibilities of supervisors. [REDACTED] which was published in June, 1956, provides such a statement. This Notice is not scheduled to expire until June, 1958. It does not seem that publication of a similar statement at this time would make any further contribution.

7. The Inspector General also stated in his study that "In brief, our present system allows too many persons to draw regular salaries while doing little or no work because their supervisors will neither give them jobs nor fire them..." He attached a list of 19 employees of the Office of the DD/I and 1 employee of the Office of the DD/P whom he placed in this category.

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b. Reassignment of [REDACTED] is planned for the latter part of this year.

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c. In the case of [REDACTED] it will be recalled, efforts were made to separate him through reduction in force when his previous assignment was abolished. This action was appealed to the Civil Service Commission and a civil suit was initiated to combat it. The action was cancelled and the assignment of [REDACTED] was considered by a specially appointed board of senior Agency officials. [REDACTED]

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present assignment is a result of the recommendations made by that board. Current information supports the view that [REDACTED] is not fully utilized and is not making a full contribution to the Agency in his present assignment. However, in view of the failure of our previous effort to remove him, we believe it would be impolitic to separate him under the special termination authority available to the Director. [REDACTED] reaction to our previous charges suggests that such action on our part would invite a court test of our use of this authority under circumstances which would not be favorable to the Agency. While we do not propose that no further action be taken against [REDACTED] in the future, we believe that further action should be deferred until a clear-cut case can be made against him.

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d. [REDACTED] received a report of less than adequate performance in the Office of Current Intelligence and was detailed to the SR Division of the DD/P in October, 1956, to give her an opportunity to prove her qualifications for useful service. Following a 90-day trial period, the SR Division was to determine either that [REDACTED] should be returned to OCI where separation proceedings would be initiated or that her performance warranted regular assignment in the SR Division. At the end of this trial period, the SR Division requested [REDACTED] permanent assignment to them.

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e. The cases of [REDACTED] have been referred to the Special Placement Committee; [REDACTED] because of his low capacity for work in the DD/I and [REDACTED] because of a desire on his part for another assignment.

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f. The other persons listed should, possibly, be reassigned or separated. However, I believe it necessary and proper that their current work be reviewed by the DD/I and that he initiate any

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action relating to them. In view of the fact that we are presently planning a systematic review of personnel, I would recommend that the DD/I not restrict himself to the list but use it as a guide.

L. K. White
Deputy Director (Support)

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OD/Pers/████████:mg(29 Aug 57)

Originated By: /s/ Gordon M. Stewart
Director of Personnel

10 AUG 1957